

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

| | | |
|---|---|-----------------|
| THE APPLICATION OF TRI-VILLAGE WATER |) | |
| DISTRICT, GALLATIN AND GRANT COUNTIES, |) | |
| KENTUCKY, (1) FOR A CERTIFICATE OF PUBLIC |) | |
| CONVENIENCE AND NECESSITY AUTHORIZING |) | |
| CONSTRUCTION OF MAJOR ADDITIONS AND |) | |
| IMPROVEMENTS TO ITS WATER DISTRIBUTION |) | CASE NO. 99-274 |
| SYSTEM, (2) SEEKING APPROVAL OF REVISED |) | |
| WATER SERVICE RATES AND CHARGES AND (3) |) | |
| SEEKING APPROVAL OF THE ISSUANCE OF |) | |
| CERTAIN SECURITIES |) | |

O R D E R

On June 24, 1999, Tri-Village Water District (Tri-Village) submitted an application for a Certificate of Public Convenience and Necessity to construct a \$410,000 waterworks improvement project, for approval of its plan of financing for this project, and for adjustments to its water service rates. This project consists of the construction of a 186,000 gallon standpipe, a booster pump station, and 850 feet of 8-inch water line. Project funding is a \$232,000 bond issue to be purchased pursuant to an agreement with the U. S. Department of Agriculture's Rural Development (RD) and a \$178,000 grant from the RD.

Tri-Village's application was made pursuant to KRS 278.023, which requires the Commission to accept agreements between water utilities and the U. S. Department of Agriculture or the U. S. Department of Housing and Urban Development and to issue the

necessary orders to implement the terms of such agreements within 30 days of satisfactory completion of the minimum filing requirements. Given that minimum filing requirements were met in this case on June 24, 1999, KRS 278.023 does not grant the Commission any discretionary authority to modify or reject any portion of this agreement.

IT IS THEREFORE ORDERED that:

1. Tri-Village is hereby granted a Certificate of Public Convenience and Necessity for the proposed construction project.

2. Tri-Village's proposed plan of financing with RD is accepted.

3. Tri-Village is authorized to issue bonds not to exceed \$232,000.

4. Tri-Village shall file a copy of the as-built drawings and a certified statement that the construction has been satisfactorily completed in accordance with the contract plans and specifications within 60 days of the substantial completion of the construction certificated herein.

5. The rates set out in Appendix A, which is attached hereto and incorporated herein, are the rates approved for service rendered on and after the date of this Order.

6. Tri-Village shall submit its revised tariff setting out the rates in Appendix A within 30 days of the date of this Order.

7. Three years from the effective date of this Order Tri-Village shall file an income statement, along with any pro forma adjustments, in sufficient detail to demonstrate that the rates approved herein are sufficient to meet its operating expenses and annual debt service requirements.

Nothing contained herein shall be deemed a warranty of the Commonwealth of Kentucky, or any agency thereof, of the financing herein accepted.

Done at Frankfort, Kentucky, this 26th day of July, 1999.

By the Commission

ATTEST:

Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 99-274 DATED JULY 26, 1999

The following rates and charges are prescribed for the customers in the area served by Tri-Village Water District. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of the Commission prior to the effective date of this Order.

Monthly Water Rates

| | | | |
|-------|----------------|---------|-------------------|
| First | 2,000 gallons | \$19.40 | Minimum bill |
| Next | 4,000 gallons | 6.22 | per 1,000 gallons |
| Next | 4,000 gallons | 6.10 | per 1,000 gallons |
| Next | 10,000 gallons | 5.98 | per 1,000 gallons |
| Over | 20,000 gallons | 5.74 | per 1,000 gallons |